



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397
www.ut.blm.gov/saltlake_fo



In Reply Refer To:

3809

U-77020

(UT-023)

FEB 22 2005

Certified Mail # 7003 1010 0005 1875 8462

Return Receipt Requested

Mr. Sidney K. Hullinger
Senior Vice President
McFarland & Hullinger
P.O. Box 238
Tooele, Utah 84074

Dear Mr. Hullinger:

The Bureau of Land Management's (BLM) Salt Lake Field Office has completed the review of plan of operations (Plan) modification number one for the processing of the Barney's Canyon sulfide ore at your SiO₂ 1-6 mine. The BLM case file number for the SiO₂ 1-6 mine Plan is UTU-77020. Plan modification number one was originally submitted on December 16, 2002 and revised on November 3, 2004.

Attached are the approved Plan modification decision, and a copy of the Unprocessed and Commingled Ore Agreement, between McFarland & Hullinger, Kennecott Utah Copper Corporation and the BLM Salt Lake Field Office. Upon receipt of this decision, you may proceed with the proposed operations as approved in your Plan.

If you have any questions, or require additional information, please contact Larry Garahana of my staff at (801) 977-4371.

Sincerely,

David H. Murphy
Assistant Field Manager
Nonrenewable Resources

Attachment: Plan modification approval decision (2 p.)
Copy of Agreement (2 p.)

cc: Tom Munson, UDOGM M/045/046

RECEIVED

FEB 25 2005

DIV. OF OIL, GAS & MINING

**SiO₂ 1-6 MINE
MCFARLAND & HULLINGER**

DECISION

PLAN OF OPERATIONS MODIFICATION APPROVED

The Bureau of Land Management's (BLM) Salt Lake Field Office has completed the review of plan of operations (Plan) modification number one for the processing of the Barney's Canyon sulfide ore at your SiO₂ 1-6 mine. The BLM case file number for the SiO₂ 1-6 mine Plan is UTU-77020. Plan modification number one was originally submitted on December 16, 2002 and revised on November 3, 2004.

The BLM issued a revised Plan bond determination decision on February 16, 2005, which determined that the current reclamation bond for UTU-77020 will be satisfactory and that no increase is required at this time.

The BLM Salt Lake Field Office has completed review of the revised Plan modification number one for the SiO₂ 1-6 mine and determined the document is technically adequate and the proposed use and occupancy is reasonably incident to mining. Concurrence is hereby granted, according to federal regulations in 43 CFR § 3715.3-4, to proceed with the proposed use and occupancy. Approval is hereby granted, according to federal regulations in 43 CFR 3809.432(a), to proceed with the proposed operations.

This decision does not constitute: certification of ownership to any persons or company named in your Plan; recognition of the validity of any mining claims named in your Plan; or recognition of the economic feasibility of the operation proposed.

Provisions for Appeal

If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the Utah BLM State Director review this decision. If you request a State Director review, the request must be received in the Utah BLM State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director. Standards for obtaining a stay are given below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

If the Utah State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in the Salt Lake Field Office, located at 2370 South 2300 West, Salt Lake City, Utah, 84119, within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted,
and
4. Whether the public interest favors granting the stay.


Assistant Field Manager

Date 22 FEBRUARY 2005



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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In Reply Refer To:

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(UT-023)

FEB 16 2005

DECISION

Mr. Sidney K. Hullinger
Senior Vice President
McFarland & Hullinger
P. O. Box 238
Tooele, Utah 84074

RECEIVED

FEB 17 2005

DIV. OF OIL, GAS & MINING

PLAN OF OPERATIONS BOND DETERMINATION

The Bureau of Land Management's (BLM) Salt Lake Field Office is issuing this bond determination for plan of operations (Plan) modification number one for the Barneys Canyon Ore processing at the SiO₂ 1-6 mine. It has been determined that your existing bond in the amount of \$100,000.00 will be adequate to cover your reclamation responsibilities associated with your approved Plan, as well as the new reclamation responsibilities associated with said modification of your mining operations located in Sections 21 and 28, T. 1 N., R. 6 W., Tooele County Utah, serialized U-77020.

This decision does not constitute: certification of ownership to any persons or company named in your Plan; recognition of the validity of any mining claims named in your Plan; or recognition of the economic feasibility of the operation proposed.

Provisions for Appeal

If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the Utah BLM State Director review this decision. If you request a State Director review, the request must be received in the Utah BLM State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director. Standards for obtaining a stay are given below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

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2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted,
and
4. Whether the public interest favors granting the stay.

If you have any questions, or require additional information, please contact Larry Garahana of my staff at (801) 977-4371.

Sincerely,

A handwritten signature in black ink, appearing to read "David H. Murphy". The signature is fluid and cursive, with the first name "David" and last name "Murphy" being clearly legible.

David H Murphy
Assistant Field Manager
Nonrenewable Resources

Enclosures (1) Form 1842-1

cc: Tom Munson, UDOGM M/045/046